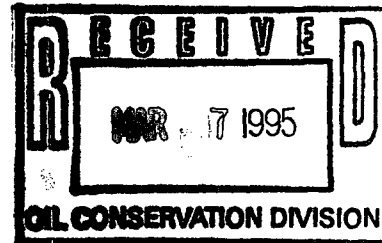


3-27-95

1108



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626



Mr. David Catanach
State of New Mexico
Oil Conservation Division
Energy and Minerals Department
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache # 8-E
UL "K", 1685' FSL & 1685' FEL
Sec 27, T-26-N, R-5-W
Blanco Mesa Verde and Basin Dakota Pools
Jicarilla Field
Rio Arriba County, New Mexico

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of the Mesa Verde and Basin Dakota zones in the referenced well.

A velocity string was installed in this well in Jan-94 to facilitate the reestablishment of Mesa Verde production. Commingling will allow for the more efficient operation of artificial lift equipment. Moreover downhole commingling would allow both zones to be artificially lifted to an abandonment BHP of 100 PSI, maximizing the productive life of the wellbore and reducing waste.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at 915-687-8324. Your prompt consideration of this issue is greatly appreciated.

Sincerely,

Thomas M. Price

Thomas M. Price
Advanced Engineering Technician

REQUEST FOR EXCEPTION TO RULE 303A
JICARILLA APACHE # 8-E API# 30-039-22588
UL"K" 1685' FSL & 1685' FWL
SEC.27, T-26-N, R-5-W
RIO ARriba CO., NEW MEXICO
BLANCO MESA VERDE AND BASIN DAKOTA POOLS

A: Operator
Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

B: Plats and Offset Operators
Attached

C: C-116's
Attached

D: Production Decline Curves
Attached

E: Estimated Bottomhole Pressures
Mesa Verde 747 PSI @ 5250 Feet
Basin Dakota 890 PSI @ 5250 Feet

F: Product Characteristics
Previous commingling of these zones by other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.

G: Value
Marathon receives the same price for product from both zones and value will not be adversely affected.

H: Production Allocation

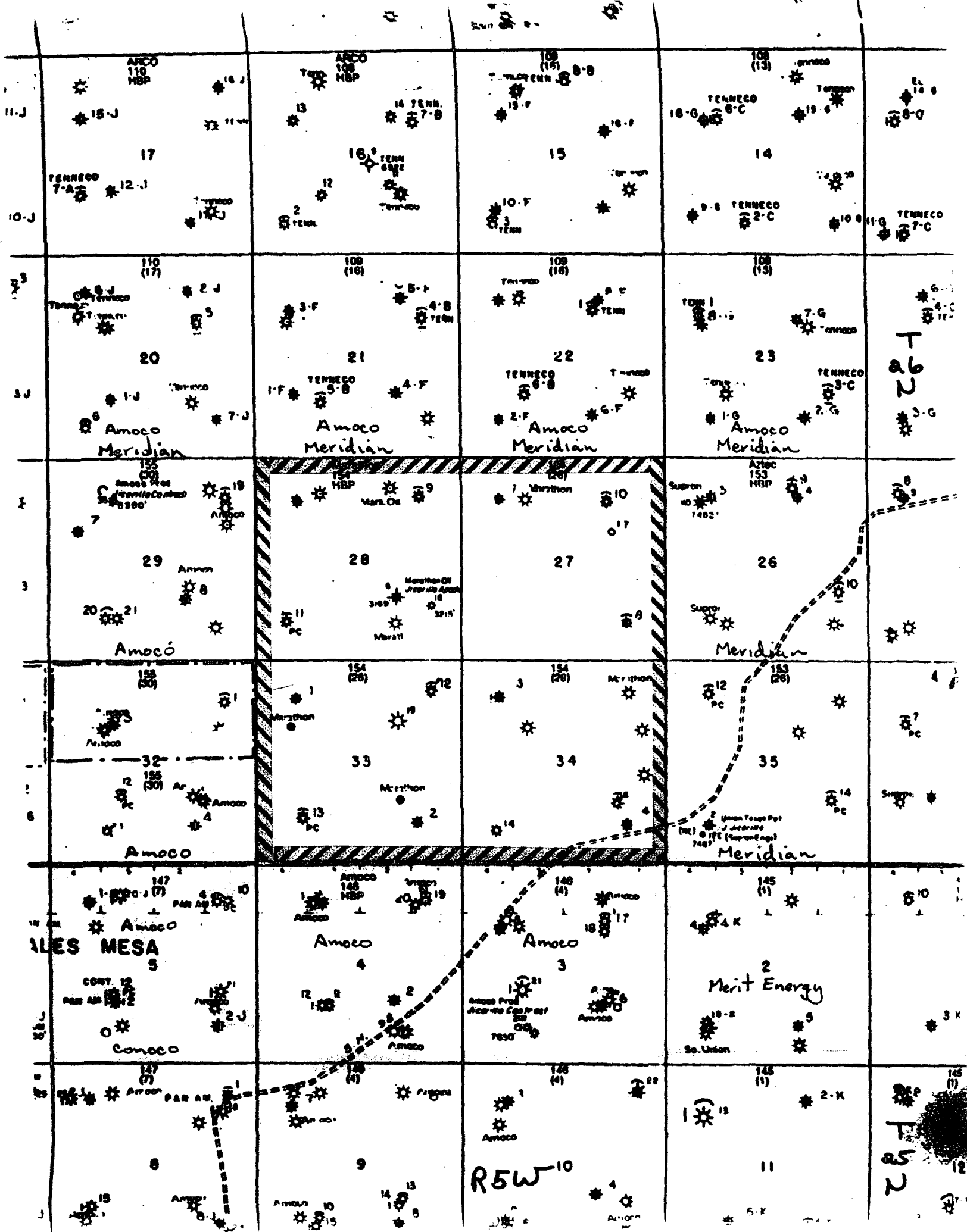
<u>POOL</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>BWPD</u>
Mesa Verde	2	41	3
<u>Basin Dakota</u>	<u>1</u>	<u>209</u>	<u>2</u>
TOTAL	3	250	5

Allocated Percentages

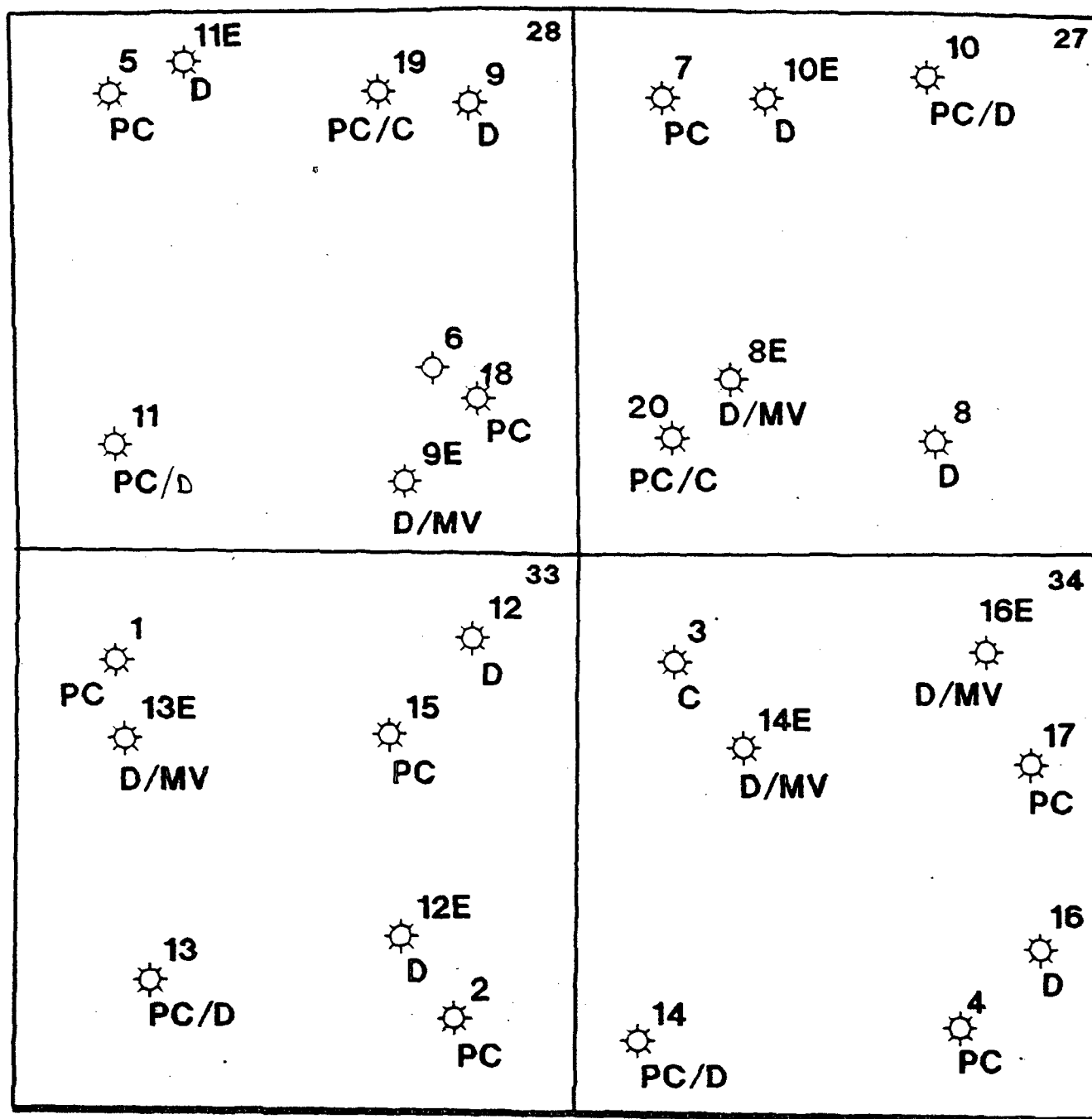
<u>POOL</u>	<u>BOPD%</u>	<u>MCFPD%</u>	<u>BWPD</u>
Mesa Verde	66.7	16.4	60
<u>Basin Dakota</u>	<u>33.3</u>	<u>83.6</u>	<u>40</u>
TOTAL	100	100	100

I: Ownership
Ownership of all zones is in common and correlative rights will not be compromised.

J: Offset Operator Notification
By copy of this letter we are notifying all offset operators (see list, Item C) of the proposed commingling, by certified mail.



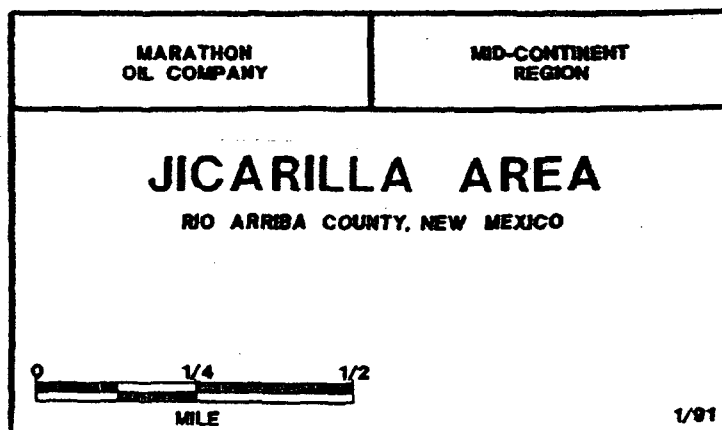
R 5 W



T
26
N

JICAFE OPER

PC PICTURED CLIFFS
C CHACRA
MV MESA VERDE
D DAKOTA



**OFFSETTING OPERATORS TO MARATHON OIL COMPANY'S
JICARILLA APACHE LEASE
SECTIONS 27, 28, 33, & 34, T-26-N, R-5-W,
RIO ARriba COUNTY, NEW MEXICO**

**Amoco Production Company
P. O. Box 800
Denver, CO 80201-0800**

**Meridian Oil Inc.
P. O. Box 4289
Farmington, NM 87401-4289**

**Conoco Inc.
10 Desta Dr., Ste. 100W
Midland, TX 79705-4500**

**Merit Energy Corp.
P. O. Box 351
Midland, TX 79702-0351**

Submit 2 copies to Appropriate
District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Blanco Mesa Verde		County Rio Arriba											
Address P.O. Box 552, Midland, TX 79702		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	SIZE OF CHOKE	TBG. PRESS.	DAILY ALLOW- ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS - OIL RATIO CU.FT./BBL		
		U	S	T	R						WATER BBL.	OIL BBL.			
Jicarilla Apache	8E	K	27	26	5	2-27-95	64/64	144	M	24	2	58.0	2	41	20500
	9 E	O	28	26	5	2/19/95	64/64	178	M	24	2	58.0	2	57	28500
	13E	E	33	26	5	2/17/95	64/64	200	M	24	0	58.0	2	78	39000
	14E	F	34	26	5	2/26/95	64/64	300	M	24	4	58.0	1	11	11000
	16E	A	34	26	5	2/21/95	64/64	212	M	24	1	58.0	1	59	59000
INFORMATIONAL USE ONLY															

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60°F.

Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Thomas M. Price

Signature

Thomas M. Price

Printed name and title

3/2/95

915-687-8324

Date

Telephone No.

Submit 2 copies to Appropriate
District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Basin Dakota		County Rio Arriba												
Address P.O. Box 552, Midland, TX 79702		TYPE OF TEST - (X)		Schedul		Completion		Special								
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKESIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS - OIL RATIO CU.FT./BBL			
		U	S	T							R	WATER BBL.		GRAV. OIL	OIL BBL.	GAS M.C.F.
Jicarilla Apache	8E	K	27	26	5	2/22/95	F	64/64	190	M	24	3	56.6	1	209	209000
	9 E	O	28	26	5	2/23/95	F	64/64	160	M	24	0	56.6	3	193	64333
	13E	E	33	26	5	2/18/95	F	64/64	142	M	24	4	56.6	2	132	66000
	14E	F	34	26	5	2/25/95	F	64/64	154	M	24	2	56.6	2	100	50000
	16E	A	34	26	5	2/16/95	F	64/64	139	M	24	3	56.6	2	174	87000
INFORMATIONAL USE ONLY																

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Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Thomas M. Price
Signature

Thomas M. Price

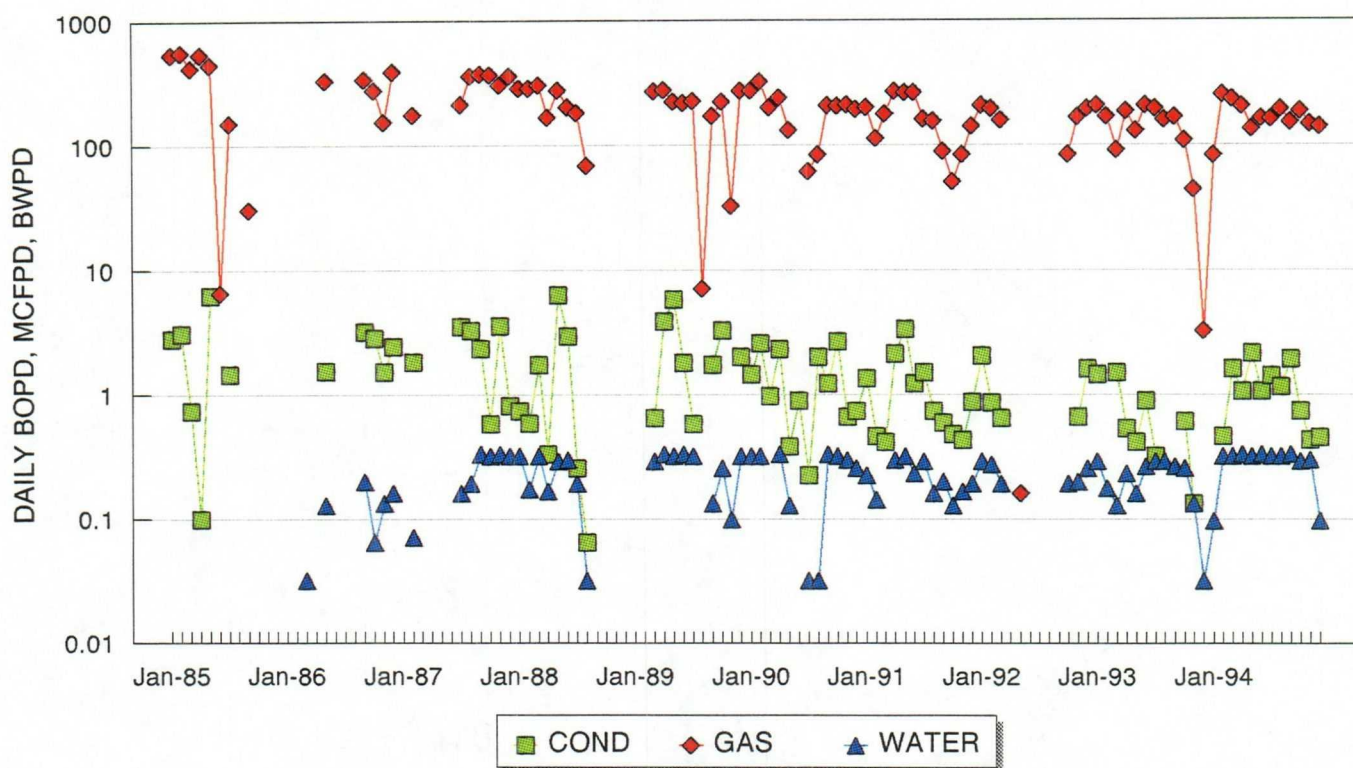
Printed name and title
3/2/95

915-687-8324

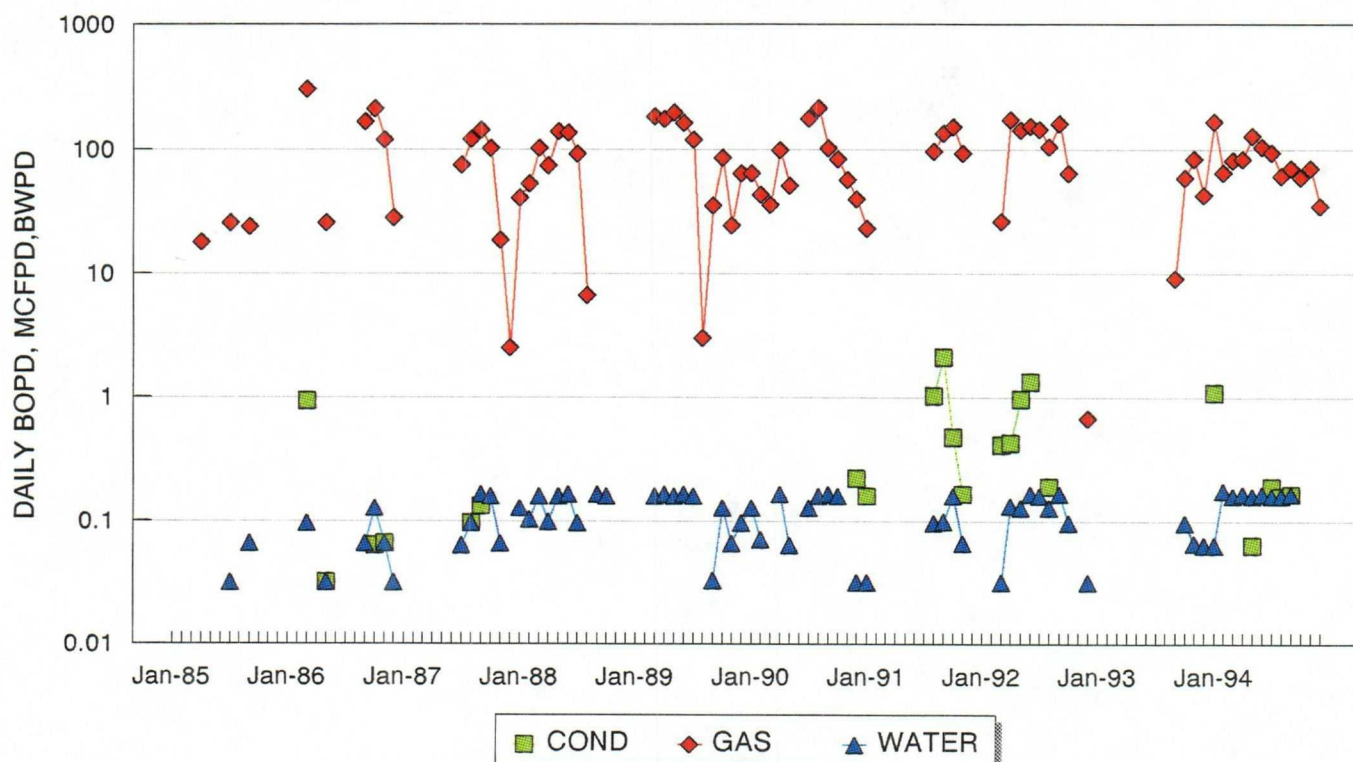
Date

Telephone No.

JICARILLA APACHE # 8-E **BASIN DAKOTA**



JICARILLA APACHE 8-E **BLANCO MESA VERDE**



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702 915-687-8324

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL "K", 1685 FSL & 1685 FWL
Section 27, T-26-N, R-5-W

FORM APPROVED

Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
Tract 251 Contract 154

6. If Indian, Allottee or Tribe Name
Jicarilla Apache

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Jicarilla Apache 8 E

9. API Well No.
30-039-22588

10. Field and Pool, or exploratory Area
Jic / Basin Dakota, Mesa Verde

11. County or Parish, State

Rio Arriba NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other Downhole Commingle
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Marathon Oil Company is applying to the New Mexico Oil Conservation Division for permission to downhole commingle the Blanco Mesa Verde and Basin Dakota pool in this well. Upon receiving approval from the NMOCD, the coiled tubing will be unseated and raised to a depth which will optimize production from both zones. The estimated start date is upon approval of the DHC Permit from the NMOCD.

14. I hereby certify that the foregoing is true and correct

Signed Thomas M. Price

Title Advanced Engineering Tech.

Date 3/2/95

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.



**Marathon
Oil Company**

P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201-0800

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
Sec. 27, T-26-N, R-5-W
Mesa Verde and Basin Dakota Pools
Jicarilla Field
Rio Arriba County, New Mexico

Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to downhole commingle the referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, please sign below and mail the original to the NMOCD, 2040 South Pacheco, Santa Fe, NM 87505, Attn: David Catanach.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas M. Price'.

Thomas M. Price
Advanced Engineering Technician

TMP/9510/r
Enclosure

Agreed and accepted this _____ day of _____ 1995

by _____, as representative of



**Marathon
Oil Company**

P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Meridian Oil Inc.
P. O. Box 4289
Farmington, New Mexico 87401-4289

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
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Thomas M. Price
Advanced Engineering Technician

TMP/9510/tr
Enclosure

Agreed and accepted this _____ day of _____ 1995

by _____, as representative of



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
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Sincerely,


Thomas M. Price
Advanced Engineering Technician

TMP/9510/r
Enclosure

Agreed and accepted this _____ day of _____ 1995

by _____, as representative of

Mid-Continent Region
Production United States



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Merit Energy Corp.
P. O. Box 351
Midland, Texas 79702-0351

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
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Thomas M. Price
Advanced Engineering Technician

TMP/9510/r
Enclosure

Agreed and accepted this _____ day of _____ 1995

by _____, as representative of